

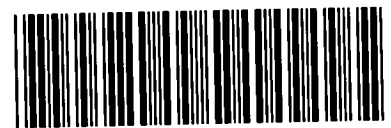
Cargill Holdings

Directors' report, strategic report and financial statements

31 May 2018

Registered number 00986532

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Contents

Directors' report	1
Strategic report	2
Statement of directors' responsibilities	3
Independent auditor's report to the members of Cargill Holdings	4
Profit and loss account	6
Statement of other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

Directors' report

Introduction

The directors present their annual report and the audited financial statements for the year ended 31 May 2018.

Principal activities

The company is a holding company for the UK financial businesses.

Directors and directors' interests

The directors who served during the year and at the report date were:

S J Hamilton
M J Timewell

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board

Velocity V1
Brooklands Drive
Weybridge
Surrey
KT13 0SL



M Timewell
Director
14 December 2018

Strategic report

Business review and summary results

Summarised results are given below:

	2018	2017
	\$m	\$m
(Loss) / profit for the financial year	(0.9)	1.4

Financial risk

The company is exposed to movements in the level of interest rates. The deposit arrangement is managed through a centrally managed treasury function within a fellow subsidiary.

Proposed dividend

The directors do not recommend the payment of a dividend (2017: \$360m).

Policy and practice on payment of creditors

The company aims to pay all its creditors promptly. It is the company's policy to agree the terms of payment with its suppliers, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other obligations.

By order of the board

Michael Timewell

M Timewell
Director
14 December 2018

Velocity V1
Brooklands Drive
Weybridge
Surrey
KT13 0SL

Statement of directors' responsibilities in respect of the directors' report, strategic report and the financial statements

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Cargill Holdings

Opinion

We have audited the financial statements of Cargill Holdings ("the company") for the year ended 31 May 2018 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Cargill Holdings *(continued)*

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anthony Hambleton *(Senior Statutory Auditor)*
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ
December 2018

Profit and loss account
for the year ended 31 May 2018

	<i>Note</i>	2018 \$000	2017 \$000
Administrative expense		(15)	-
Administrative income		-	14
Operating (loss) / profit		(15)	14
Interest payable and similar charges	2	(1,088)	(27)
Other interest receivable and similar income	3	40	1,722
(Loss) / profit before taxation		(1,063)	1,709
Tax credit / (charge) on (loss) / profit	5	206	(342)
(Loss) / profit for the financial year		(857)	1,367

All of the results are derived from continuing operations.

Statement of other comprehensive income
for the year ended 31 May 2018

	2018 \$000	2017 \$000
(Loss) / profit for the financial year	(857)	1,367
Total comprehensive income	(857)	1,367

Balance sheet
at 31 May 2018

		2018		2017	
	<i>Note</i>	\$000	\$000	\$000	\$000
Fixed assets					
Investments	6		148,566		148,566
Current assets					
Debtors	7	3,018		3,127	
		<u>3,018</u>		<u>3,127</u>	
Creditors: amounts falling due within one year	8	<u>(76,119)</u>		<u>(371)</u>	
Net current (liabilities) / assets			<u>(73,101)</u>		<u>2,756</u>
Total assets			75,465		151,322
Creditors: amounts falling due after one year	9		-		(75,000)
Net assets			<u>75,465</u>		<u>76,322</u>
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account			75,465		76,322
Shareholder's funds			<u>75,465</u>		<u>76,322</u>

These financial statements were approved by the board of directors on 14 December 2018 and were signed on its behalf by:

Michael Timewell

M Timewell
Director

Statement of changes in equity
for the year ended 31 May 2018

	Share Capital \$000	Profit and loss account \$000	Total \$000
At 1 June 2017	-	76,322	76,322
Total comprehensive income	-	(857)	(857)
<i>Transactions with owners, recorded directly in equity</i>			
Dividends	-	-	-
At 31 May 2018	-	75,465	75,465

Statement of changes in equity
for the year ended 31 May 2017

	Share Capital \$000	Profit and loss account \$000	Total \$000
At 1 June 2016	-	434,955	434,955
Total comprehensive income	-	1,367	1,367
<i>Transactions with owners, recorded directly in equity</i>			
Dividends	-	(360,000)	(360,000)
At 31 May 2017	-	76,322	76,322

Notes

(forming part of the financial statements)

1 Accounting policies

Statement of compliance

Cargill Holdings is a private unlimited liability company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 00986532 and the registered office is Velocity 1, Brooklands Drive, Weybridge, Surrey KT13 0SL.

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest US\$1,000.

FRS 102 grants certain exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Designation of previously recognised financial instruments – certain financial assets and liabilities were at 1 June 2014 designated at fair value through profit or loss.
- Lease incentives – for leases commenced before 1 June 2014 the Company continued to account for lease incentives under previous UK GAAP.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained at its registered office whose address is stated in note 12. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements, made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and on a going concern basis.

Functional currency and presentation currency

The functional currency of the company is US dollars since the interest income and assets are denominated in US dollars. The reporting currency of these financial statements is US dollars.

Notes (continued)

1 Accounting policies (continued)

Going concern

In consequence, and in conjunction with the company's existing financial resources, the directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continues to prepare annual financial statements on the going concern basis.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to dollars at foreign exchange rates ruling at the dates the fair value was determined.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

A deferred tax asset is recognised to the extent it is regarded as recoverable. Provision is made at rates of taxation anticipated to be in force when the timing differences are expected to reverse.

Fixed asset investments

Investments in subsidiary undertakings are recorded at cost less provision for any permanent diminution in value.

Basic financial instruments

Trade and other debtors / creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

2 Interest payable and similar charges

	2018	2017
	\$000	\$000
<i>Payable to group undertaking</i>		
Interest on long term debt	(1,088)	(27)
	<u>(1,088)</u>	<u>(27)</u>

3 Other interest receivable and similar income

	2018	2017
	\$000	\$000
Receivable from group undertakings	40	1,722
	<u>40</u>	<u>1,722</u>

4 Expenses and auditor's remuneration

The following amounts in respect of auditor's remuneration were borne by other group undertakings:

	2018	2017
	\$000	\$000
<i>Auditor's remuneration:</i>		
Audit of these financial statements	6	3
	<u>6</u>	<u>3</u>

There were no employees during the year (2017: none). The directors' emoluments were borne by other group undertakings. The qualifying services that they provide to the company are incidental and it is not practicable to allocate any of their remuneration to the company.

Notes (continued)

5 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018	2017
	\$000	\$000
Total tax expense in the profit and loss account		
<i>Current tax</i>		
UK corporation tax at 19.00% (2017: 19.83%)	(206)	342
Tax (credit on loss) / charge on profit	(206)	342
	(206)	342

Factors affecting the total tax charge in the year

The current tax assessment for the period is lower than (2017: lower than) than the standard rate of corporation tax in the UK of 19.00% (2017: 19.83%)

The differences are explained below:

(Loss) / profit for the financial year	(857)	1,367
Total tax (credit) / charge	(206)	342
(Loss) / profit before taxation	(1,063)	1,709
 (Loss) / profit multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.83%)	 (202)	 339
Effects of:		
Exchange rate differences	(4)	3
Total tax (credit) / charge for the year	(206)	342

Factors that may affect future current and total tax charges

Recent budgets have announced changes to the main rate of UK corporation tax. The current rate of 19.00% was enacted on 26 October 2015 and applied from 1 April 2017.

A further reduction to the main rate of corporation tax to 17% will apply from 1 April 2020 and was substantively enacted on 15 September 2016.

This reduces the company's future current tax rate accordingly.

Notes *(continued)*

6 Fixed asset investments

\$000

Cost at 31 May 2018 and at 31 May 2017

148,566

Shares in group companies

<i>Company name</i>	<i>Registered Office Address</i>	<i>Place of incorporation</i>	<i>Class of Shares</i>	<i>Percentage ownership 2018</i>	<i>Percentage ownership 2017</i>
Cargill Financial Markets Ltd	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%
Cargill Global Funding PLC	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%
Cargill Investment Holdings Limited	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%
Green Hercules Trading Limited	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%

7 Debtors

	2018 \$000	2017 \$000
<i>Due within one year</i>		
Amounts owed by group undertakings - short term deposits	2,818	3,127
Corporation tax receivable	200	-
	<u>3,018</u>	<u>3,127</u>

8 Creditors: amounts falling due within one year

	2018 \$000	2017 \$000
Amounts owed to group undertakings	76,119	32
Corporation tax	-	339
	<u>76,119</u>	<u>371</u>
<i>Amounts owed to group undertakings comprise:</i>		
Loan	75,000	-
Trade creditors	1,119	32
	<u>76,119</u>	<u>32</u>

The interest rate charged is 1.00356% and the loan is due for repayment on 19 May 2019.

Notes *(continued)*

9 Creditors: amounts falling due after more than one year

	2018	2017
	\$000	\$000
Amounts owed to group undertakings - long term loan	<u> -</u>	<u> 75,000</u>

10 Called up share capital

	2018	2017
	£	£
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	<u> 1</u>	<u> 1</u>
	\$	\$
In reporting currency of US dollars	<u> 2</u>	<u> 2</u>

11 Related party transactions

The company is exempt from disclosing transactions with other wholly owned group companies under Section 33.1A of FRS 102.

12 Ultimate holding company and parent undertaking

The company is a wholly owned subsidiary of Cargill, Incorporated a company incorporated in USA. Cargill, Incorporated is the ultimate parent undertaking of Cargill Holdings, and is regarded by the directors as being the company's ultimate controlling party.

The smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this group are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.